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January 4, 2010

Mr. Charles Terreni
Chief Clerk
Public Service Commission of South Carolina
Synergy business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

In Re: South Carolina Electric & Gas Company's Update of Construction Progress and Request for Updates and Revisions to Schedules Related to the Construction of a nuclear Base Load Generating Facility at Jenkinsville, South Carolina
Docket No. 2009-293-E

Dear Mr. Terreni:

Intervenor Friends of the Earth hereby responds, in part, to the December 28, 2009, letter of South Carolina Electric & Gas Company in this docket. Contrary to Mr. Belser's suggestion that the schedule for the NRC design approval of the AP1000 nuclear reactor proposed for the V.C. Summer site will not adversely impact the cost and schedule for the project, most recent published statements by the NRC indicate that continued delays by Westinghouse in supplying necessary design data preclude final NRC AP1000 design approval; and that the final design approval schedule remains uncertain. "We're not going to know where the new end date is until next year," the NRC's Scott Burnell stated in the attached December 28, 2009, report published in "The State."

Friends of the Earth urges the Commission to deny the Company's proposed schedule revisions as imprudent in light of continued delays in demonstrating a plant design meeting NRC safety standards and failure to demonstrate persuasive evidence supporting as much as17 month delays in project construction milestones.

I ask that this letter and the attached publication be included in the docket in this matter.

With kind regards I am

Sincerely,

Robert Guild

Encl.
CC: All Parties

The State
MONDAY, DECEMBER 28, 2009

Nuclear building's safety in question

Federal officials evaluating proposed reactor

By CHUCK CRUMBO
ccrumbo@thestate.com

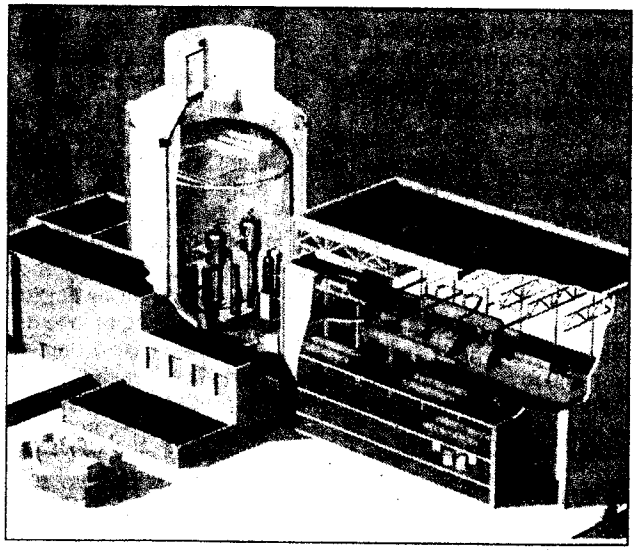
Federal regulators have raised questions about the safety design of reactor units SCE&G plans to add to its Jenkinsville nuclear plant.

The Nuclear Regulatory Commission wants to make sure the shield building that houses key reactor components can survive a catastrophic event such as a plane crash or hurricane.

"This is a situation where fundamental engineering standards will have to be met before we can begin determining whether the shield building meets the agency's requirements," said Michael Johnson, director of the commission's Office of New Reactors.

The commission, commonly known as the NRC, raised its questions in November and still is waiting for answers from Westinghouse Electric Co., which designed the SCE&G units.

SEE **REACTOR** PAGE **A5**



COURTESY OF WESTINGHOUSE ELECTRIC CO.

SCE&G and Santee Cooper plan to build two reactor units in Jenkinsville. The units' modular construction is aimed at lowering construction costs, but federal regulators have questions about the safety design of the cylindrical-shaped shield building, center.

REACTOR

FROM PAGE A1

Westinghouse says it will provide data the commission needs by February.

Cayce-based SCE&G, which is partnering with state-operated Santee Cooper on the $9.8 billion project, believes the commission's questions will be answered satisfactorily.

"After discussions with the NRC and Westinghouse, we continue to be confident that the design will be certified," said SCE&G spokesman Eric Boomhower.Critics say the commission's action could delay the project by months or even years. That could lead to higher construction costs, which customers likely would have to cover, they add.

"It appears there's going to be schedule delays because of problems the NRC has identified with the design," said Tom Clements of Friends of the Earth, an environmental group opposed to the project.

SCE&G, which plans to have the first of two new units in operation by April 2016, cleared a major hurdle in February when the state Public Service Commission OK'd the project.

SCE&G, principal subsidiary of Cayce-based SCANA Corp., and Santee Cooper now are seeking federal approval, which could take another two years.

The power companies now operate one reactor unit at the Jenkinsville site.

The design of the Westinghouse unit — called the AP1000 — is unique for the commercial nuclear power business. It incorporates modular construction and prefabricated parts manufactured elsewhere and shipped to the construction site.

Earlier nuclear plants essentially were custom-built at the site.

Using modular design and prefabricated parts should hold down costs and standardize construction, industry officials said.

As far as the AP1000 that's designed for SCE&G, the shield building will consist of 3-foot thick concrete walls poured at the construction site, said Westinghouse spokesman Scott Shaw.

A reinforced concrete roof then will be assembled on site, lifted in place, and secured, Shaw added.

Inside the building will be a containment shell made of preformed, ¾-inch-thick steel. The shell will protect key parts such as the reactor vessel, steam generators and coolant pumps.

What NRC analysts aren't sure of is whether the AP1000 design will survive an airborne terrorist attack such as those which leveled New York's twin towers on 9/11.

The NRC's staff has not "analyzed the revised design against an aircraft crash," said spokesman Scott Burnell. "We have to satisfy that before the amended design is approved."

How soon Westinghouse provides the data analysts need will be key to when the NRC finally certifies the AP1000 design, Burnell added.

"We're not going to know where the new end date is until next year," Burnell said.

Boomhower said the Westinghouse design "provides an even safer plant that is more efficient and less expensive to build, operate and maintain. ... We remain confident that our new nuclear project is still on schedule."

Noting that it has been more than 30 years since a new reactor has been ordered in the United States, Clements thinks the NRC is proceeding cautiously because the design is different from anything it has seen before.

"They're basically sailing into uncharted waters," said Clements, who has previously claimed state regulators handed SCE&G a blank check to build the reactor units because construction delays could drive up costs.

State law does allow the utility to seek rate increases to pay interest on money it needs to borrow for the project.

SCE&G estimates rates could climb 37 percent over the life of the project. But it adds covering borrowing costs during the project will save ratepayers $1 billion.

No one knows if delays could drive up costs like they did during a 15-year stretch from the mid-1970s to late-1980s, when the average price of a nuclear plant increased thirty-fold.

Industry officials say delays were partially caused by a two-tier licensing process the NRC used.

Back then, a utility first had to obtain a license to build a reactor unit. Once the plant was completed, the utility had to go back to the NRC and seek a license to operate the unit.

Often, completed units sat idle for years as utilities worked their way through the regulatory maze. The licensing process slowed down further after the 1979 reactor accident at Three Mile Island, Pa., when public opinion swung against commercial nuclear power.

Industry observers believe the public now backs nuclear power, and that regulatory delays have been overcome by the NRC's adoption of a dual-track licensing process. When a utility now wins approval to build a reactor unit, it also will receive an operating permit.

SCANA CEO Bill Timmerman indicated at a recent New York meeting of stock analysts that the company is willing to be patient.

"Frankly, I'm glad they're taking their time in going through this," Timmerman said.

Reach Crumbo at (803) 771-8503.

WHAT'S AHEAD

SCE&G's plan to add two reactor units to the V.C. Summer Nuclear Station at Jenkinsville is moving through a lengthy review by federal regulators. If all goes as the utility expects, here are key dates for the project:

Late 2011-early 2012: The U.S. Nuclear Regulatory Commission is expected to rule on the request for a license to operate the new reactors and to begin construction.

2012: If SCE&G has won the needed approvals, construction could begin.

Late 2015: Fuel is scheduled to be loaded into the first new reactor.

April 2016: The first reactor is scheduled to begin operation.

January 2019: The second reactor is scheduled to begin operation.

SOURCE: South Carolina Electric & Gas Co.